

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6731

BILL NUMBER: SB 315

NOTE PREPARED: Jan 26, 2008

BILL AMENDED: Jan 24, 2008

SUBJECT: Long Term Care Screening and Counseling.

FIRST AUTHOR: Sen. Dillon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires rules to be adopted to: (1) implement a screening and counseling program for individuals seeking long-term care services; and (2) implement a process of prior approval for certain individuals seeking admission to a nursing facility.

Effective Date: July 1, 2008.

Explanation of State Expenditures: (Revised) This bill would delay until December 31, 2008, a provision that would allow OMPP to require a Medicaid-eligible person being discharged from a hospital to a nursing facility to have prior approval from OMPP before being admitted to the nursing facility after June 30, 2008. The prior authorization provision was enacted in SEA 208-2007 and was expected to result in cost savings as a result of increasing the number of diversions from avoidable nursing home admissions. The Division of Aging reports that a prior authorization program could not be put into place before December 31, 2008, anyway. Therefore, the delay in implementation is not expected to impact any anticipated savings. The bill requires the Division to promulgate rules to implement a prior authorization program and a long-term care screening and counseling program. Rule-making activities are administrative in nature and the Division should be able to accomplish the required tasks within its existing level of resources.

The CHOICE Program is a state program operated with 100% state General Funds.

The Medicaid program is jointly funded by the state and federal governments. The state share of program expenditures is approximately 38%. Medicaid medical services are matched by the federal match rate (FMAP) in Indiana at approximately 62%. Administrative expenditures with certain exceptions are matched at the federal rate of 50%.

Explanation of State Revenues: See *Explanation of State Expenditures* regarding federal reimbursement in the Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of Aging and OMPP, Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Family and Social Services Administration.

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